



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

DEC 06 2005

Paul E. Sullivan, Esq
Sullivan & Associates PLLC
1010 Wisconsin Avenue, NW
Suite 725
Washington, DC 20007

RE: MUR 5635
Edward Adams

Dear Mr. Sullivan:

On November 15, 2005, the Federal Election Commission accepted the signed conciliation agreement and civil penalty submitted on your client's behalf in settlement of a violation of 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). Accordingly, the file has been closed in this matter as it pertains to Mr. Adams.

The Commission reminds you that the confidentiality provisions of 2 U.S.C. § 437g(a)(12)(A) still apply, and that this matter is still open with respect to other respondents. The Commission will notify you when the entire file has been closed.

Enclosed you will find a copy of the fully executed conciliation agreement for your files. If you have any questions, please contact me at (202) 694-1650.

Sincerely,

A handwritten signature in black ink, appearing to be "Beth Mizuno", written over a horizontal line.

Beth Mizuno
Attorney

Enclosure
Conciliation Agreement

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of
Edward J. Adams, Jr.

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MUR 5635

CONCILIATION AGREEMENT

This matter was initiated by the Federal Election Commission ("Commission"), pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found probable cause to believe that Edward J. Adams, Jr. ("Respondent" or "Adams") violated 2 U.S.C. § 441a(a)(1)(C), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act").¹

NOW, THEREFORE, the Commission and the Respondent, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding.

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. From April 2000 through October 2004, Respondent was the Chief Financial Officer of American Target Advertising, Inc. ("ATA"), a direct mail marketing agency, incorporated in Virginia that specializes in fundraising for nonprofit entities.

¹ All of the facts recounted in this agreement occurred prior to the effective date of the Bipartisan Campaign Reform Act of 2002 ("BCRA"), Pub. L. 107-155, 116 Stat. 81 (2002). Accordingly, unless specifically noted to the contrary, all citations to the Act, herein are to the Act as it read prior to the effective date of BCRA and all citations to the Commission's regulations herein are to the 2002 edition of Title 11, Code of Federal Regulations, which was published prior to the Commission's promulgation of any regulations under BCRA.

2. Conservative Leadership Political Action Committee ("CLPAC") is a small, multicandidate, non-connected political committee that registered with the Commission in 1972. Its expenditures ranged from \$4,818 in 1993 to \$128,239 in 1998.

3. As of June 30, 2000, CLPAC reported \$464 cash on hand. Six days later, on July 6, 2000, it entered into a contract with ATA that resulted in a direct mail, telemarketing and Internet fundraising program that occurred in the four months before the 2000 election at a cost of \$8 million. The fundraising program ultimately resulted in contributions of only approximately \$4 million. Despite the fact that the fundraising failed to bring in enough money to pay the costs of solicitations and resulted in a \$4 million loss, ATA disbursed \$465,000 to CLPAC. CLPAC used these funds to pay for approximately \$350,000 worth of advertising opposing New York Senate candidate Hillary Clinton and Presidential candidate Albert Gore, Jr.

4. ATA engaged a number of third-party vendors to work on the CLPAC fundraising program. In August 2000, Adams was approached by the president of ATA who inquired if Respondent would participate as a lender for the mail program. Adams consulted with ATA legal counsel who assured Respondent that the proposed lending program was in compliance with the FECA and Federal Election Regulations. Based upon those assurances, Respondent personally began advancing funds to the vendors to finance the purchase of postage and rental of mailing lists. Between August and December 2000, Adams loaned a total of \$176,152 to third-party vendors to pay for postage and list rental for the CLPAC fundraising program. In addition, when the returns were insufficient to pay the bills, Adams paid third-party vendors a total of \$25,727 for work they did on the CLPAC fundraising program.

5. Pursuant to the Act, an individual may not contribute more than a total of \$5,000 in any calendar year to any non-connected political action committee. 2 U.S.C. § 441a(a)(1)(C).

The term "contribution" includes a gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal office. 2 U.S.C. § 431(8)(A)(i).

6. Adams's loans and payments to third-party vendors constituted contributions to CLPAC. They totaled \$201,870 and exceeded the Act's \$5,000 limit for individual contributions.

V. Respondent made contributions to Conservative Leadership Political Action Committee in violation of 2 U.S.C. § 441a(a)(1)(C). Respondent will cease and desist from violating 2 U.S.C. § 441a(a)(1)(C).

VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount of \$10,000, pursuant to 2 U.S.C. § 437g(a)(5)(A).

VII Respondent agrees to cooperate with the Commission in any proceeding against any other person regarding the Respondent's involvement in the facts and circumstances related to this matter.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondent shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

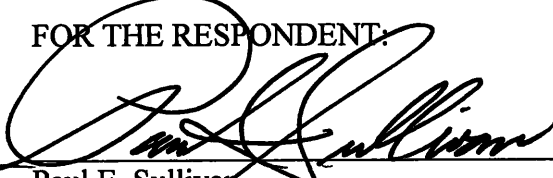
Lawrence H. Norton
General Counsel

BY: 

Rhonda J. Vosdinger
Associate General Counsel
for Enforcement

12/05/05
Date

FOR THE RESPONDENT:


Paul E. Sullivan
Sullivan & Associates, PLLC
Counsel for Respondent.

10-19-05
Date

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